

Peepeekisis Cree Nation
Consolidated Financial Statements
March 31, 2015

Peepeekisis Cree Nation

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For the year ended March 31, 2015

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Management's Responsibility

To the Members of Peepeekisis Cree Nation:

The accompanying consolidated financial statements of Peepeekisis Cree Nation are the responsibility of management and have been approved by Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Peepeekisis Cree Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Cree Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to the Members of Peepeekisis First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

August 6, 2015

Signed: Angie Ironstar

Director of Finance

Independent Auditors' Report

To the Members of Peepeekisis Cree Nation:

We have audited the accompanying consolidated financial statements of Peepeekisis Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Peepeekisis Cree Nation as at March 31, 2015 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

August 6, 2015

MNP LLP

Chartered Professional Accountants

Peepeekisis Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Current		
Cash resources	414,831	77,359
Accounts receivable (Note 4)	372,562	724,516
Restricted cash (Note 5)	178,355	359,212
Subtotal of current assets	965,748	1,161,087
Investments (Note 6)	80,000	80,000
Funds held in trust (Note 7)	43,263	41,428
Restricted cash (Note 5)	79,856	971
Total financial assets	1,168,867	1,283,486
Liabilities		
Current		
Bank indebtedness (Note 8)	39,761	228,488
Accounts payable and accruals	343,779	266,477
Deferred revenue (Note 9)	154,104	476,528
Current portion of long-term debt (Note 10)	296,789	334,379
Subtotal of current liabilities	834,433	1,305,872
Long-term debt (Note 10)	2,576,969	2,942,840
Total financial liabilities	3,411,402	4,248,712
Net debt	(2,242,535)	(2,965,226)
Contingencies (Note 16)		
Non-financial assets		
Tangible capital assets (Schedule 1) (Note 11)	13,068,831	11,469,078
Total non-financial assets	13,068,831	11,469,078
Accumulated surplus (Note 12)	10,826,296	8,503,852

Approved on behalf of the Chief and Council

Signed: Mial Koochicum

Chief

Signed: Blain Pinay

Headman

Signed: Allan Bird

Headman

Signed: Francis Dieter

Headman

The accompanying notes are an integral part of these financial statements

Peepeekisis Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue				
Aboriginal Affairs and Northern Development Canada (Note 17)		4,296,938	7,512,022	6,200,573
First Nations and Inuit Health Branch		683,542	642,182	660,722
Canada Mortgage and Housing Corporation		194,046	181,095	181,817
Forfeited AANDC funding		-	(21,832)	-
Forfeited FNIHB funding		-	-	(15,808)
First Nations Trust		800,000	928,182	968,131
File Hills Qu'Appelle Tribal Council		321,660	445,410	449,688
Other revenue		190,100	213,417	220,527
Rental income		207,960	206,958	174,448
Common Experience Program		-	94,603	-
FHQ Casino Holdings Ltd.		-	70,000	60,000
Prairie Valley School Division		-	26,688	26,044
Insurance proceeds		-	22,720	6,437
Interest income		-	1,835	1,149
Government of Canada - The Way		117,920	-	111,120
Federation of Saskatchewan Indian Nations		-	-	50,000
		6,812,166	10,323,280	9,094,848
Program expenses				
Band Government	3	491,685	515,356	713,338
Social Services	4	1,045,432	1,211,915	1,297,650
Lands and Trust Services	5	21,895	23,115	22,845
Education	6	2,146,527	2,136,995	2,121,951
Operations and Maintenance	7	665,087	1,111,368	1,130,020
Health	8	949,909	982,985	960,024
Capital	9	336,881	714,858	542,017
Other	10	1,289,273	1,304,244	1,163,316
Total expenses		6,946,689	8,000,836	7,951,161
Surplus before other items		(134,523)	2,322,444	1,143,687
Loss on disposal of tangible capital asset		-	-	(14,711)
Surplus		270,279	2,322,444	1,128,976
Accumulated surplus, beginning of year		8,503,852	8,503,852	7,374,876
Accumulated surplus, end of year		7,957,053	10,826,296	8,503,852

The accompanying notes are an integral part of these financial statements

Peepeekisis Cree Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2015

	2015 <i>Budget</i> <i>(Note 13)</i>	2015 <i>Actual</i>	2014 <i>Actual</i>
Annual operating surplus	270,279	2,322,444	1,128,976
Purchases of tangible capital assets	-	(2,565,062)	(1,704,904)
Tangible capital assets purchased by capital lease	-	-	(96,363)
Amortization of tangible capital assets	-	965,309	753,844
Loss on disposal of tangible capital asset	-	-	14,711
Proceeds on disposal of tangible capital assets	-	-	50,000
Use of prepaid expenses	-	-	210,000
Decrease (increase) in net debt	270,279	722,691	356,264
Net debt, beginning of year	(2,965,226)	(2,965,226)	(3,321,490)
Net debt, end of year	(2,694,947)	(2,242,535)	(2,965,226)

The accompanying notes are an integral part of these financial statements

Peepeekisis Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Surplus	2,322,444	1,128,976
Non-cash items		
Amortization	965,309	753,844
Loss on disposal of tangible capital asset	-	14,711
Reorganization of investment in IMI brokerage (Note 6)	-	7,000
	3,287,753	1,904,531
Changes in working capital accounts		
Accounts receivable	351,954	(375,832)
Prepaid expenses	-	210,000
Accounts payable and accruals	77,302	(356,408)
Deferred revenue	(322,424)	(667,249)
	3,394,585	715,042
Financing activities		
Advances of long-term debt	218,086	-
Repayment of long-term debt	(621,547)	(350,906)
Decrease in bank indebtedness	(188,727)	(107,927)
Increase in funds held in trust	(1,835)	(1,149)
Transfer from restricted cash	101,972	1,445,295
	(492,051)	985,313
Capital activities		
Purchases of tangible capital assets	(2,565,062)	(1,704,904)
Proceeds on disposal of tangible capital assets	-	50,000
	(2,565,062)	(1,654,904)
Increase in cash resources	337,472	45,451
Cash resources, beginning of year	77,359	31,908
Cash resources, end of year	414,831	77,359
Supplementary cash flow information		
Interest paid	66,767	84,322

The accompanying notes are an integral part of these financial statements

1. Operations

The Peepeekisis Cree Nation ("the Cree Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Peepeekisis Cree Nation financial reporting entity includes the Cree Nation's operations and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Change in accounting policy

Effective April 1, 2014, the First Nation adopted the recommendations relating to Section PS 3260, *Liability for Contaminated Sites* as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the First Nation is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 2 *Significant accounting policies*.

There was no effect on the First Nation's financial statements of adopting the above-noted change in accounting policy.

3. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Cree Nation reporting entity.

The Cree Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Peepeekisis Cree Nation; and,
- Peepeekisis Cree Nation Housing Authority.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Restricted Cash

Restricted cash consists of:

- Funds held in the CMHC replacement and operating reserve bank accounts. The CMHC reserves are used to pay eligible expenditures of the CMHC units; and
- Funds held in a project bank account for specific capital projects.

Portfolio investments

Long-term investments in entities that are not owned, controlled, or influenced by the Cree Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

3. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized over the estimated useful life. All other leases are accounted for as operating leases and rental payments are expenses as incurred.

Amortization

Tangible capital assets are amortized using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Rate</i>
Band Housing	7-15 years
Buildings	15-40 years
CMHC Housing	7-15 years
Equipment	4-15 years
Roads	40 years

Funds held in Trust

Funds held in trust on behalf of the Cree Nation by the Government of Canada in the Ottawa Trust Fund consist of:

- Capital trust monies derived from non-renewable resource transactions or the sale of land or other Cree Nation capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

3. Significant accounting policies *(Continued from previous page)*

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all cost directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as a measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Non-government funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government transfers

Government Transfers

The Cree Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Cree Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other

Rental revenue is recognized over the rental term. Other revenues are earned from other services provided by the First Nation and are recognized when the service has been provided.

Segments

The Cree Nation conducts its business through nine reportable segments: Band Government, Social Services, Lands and Trust Services, Education, Operations and Maintenance, Health, Capital, Other and Ottawa Trust Funds. These operating segments are established by senior management to facilitate the achievement of the Cree Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenues, where permitted by the funder.

Peepeekisis Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

3. Significant accounting policies *(Continued from previous page)*

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. In the current year, the effective date has been deferred to fiscal years beginning on or after April 1, 2019.

4. Accounts receivable

	2015	2014
File Hills Qu'Appelle Tribal Council	226,303	68,947
Common Experience Program	94,603	-
Other	36,609	38,023
CMHC Subsidy	15,047	32,509
AANDC	-	546,004
Insurance proceeds	-	35,545
FNIHB	-	3,488
	372,562	724,516

5. Restricted cash

	2015	2014
Current		
School roof project	147,878	384,138
School renovations project	30,477	(24,926)
	178,355	359,212
Long-term		
CMHC reserve bank accounts (Note 15)	79,856	971
	258,211	360,183

6. Investments

	2015	2014
FHQ Casino Holdings Ltd. - 1/12th interest commercial rental property	60,000	60,000
IMI Brokerage Limited Partnership - 1/11th interest in an insurance and pension brokerage partnership	20,000	20,000
	80,000	80,000

Peepeekisis Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Funds held in trust

Funds held in trust are held on behalf of the Members of Peepeekisis Cree Nation by the Government of Canada and consist of a capital and revenue trust fund. Moneys are transferred from these funds to the Cree Nation on the authorization of the Cree Nation's Chief and Council, with the consent of the Minister of Aboriginal Affairs and Northern Development Canada.

	2015	2014
Capital Trust		
Balance, beginning and end of year	5,175	5,175
Revenue Trust		
Balance, beginning of year	36,253	35,104
Interest	1,835	1,149
Balance, end of year	38,088	36,253
	43,263	41,428

8. Bank indebtedness

Bank indebtedness is represented by cash balances less outstanding cheques. At March 31, 2015, the Cree Nation has a line of credit available of \$250,000, of which \$nil was drawn (2014 - \$162,141). The line of credit is secured by a Band Council Resolution redirecting AANDC funding. Interest is calculated at the Royal Bank prime rate plus 2.0%.

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each capital project:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
AANDC - School roof project	395,992	2,589,700	2,862,065	123,627
AANDC - School renovations project	80,536	-	50,059	30,477
	476,528	2,589,700	2,912,124	154,104

Peepeekisis Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

10. Long-term debt

<u>CMHC Phase</u>	<u>Monthly Payment Including Interest</u>	<u>Interest Rate</u>	<u>Renewal Date</u>	<u>2015</u>	<u>2014</u>
I	1,796	5.29%	November 2015	34,317	53,519
II	2,390	3.99%	May 2016	32,746	59,637
III	1,769	2.56%	December 2015	194,053	210,572
IV	538	1.80%	October 2016	67,079	72,395
V	1,809	1.53%	December 2017	249,824	267,916
VI	1,597	1.82%	September 2019	241,748	256,498
VII	263	1.82%	September 2019	39,913	43,349
VIII	4,289	1.67%	October 2017	783,975	823,207
IX	1,529	1.67%	October 2017	345,125	358,120
X	2,006	1.53%	December 2017	462,345	479,840
XI	---	0.83%	---	202,755	---

CMHC Housing loans are secured by government guarantees, and relate to the construction of on reserve housing. The Cree Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest.

2,653,880 2,625,053

Royal Bank of Canada - term loan to assist with the construction costs of two new CMHC housing units, with annual principal payments of \$65,600 at the Royal Bank prime rate plus 1.75%. Secured by a BCR redirecting funding; matures July 1, 2015.

131,200 196,800

Royal Bank of Canada - lease agreement, payable in monthly installments of \$1,308 including interest at 4.25%; matures March 5, 2020. Secured by a 2013 John Deere backhoe having a net book value of \$107,332. Lease includes an option for the First Nation to purchase equipment on March 4, 2020 for \$1.00.

69,563 87,024

Royal Bank of Canada - term loan, payable in monthly installments of \$1,345 including interest at 3.45%; matures February 24, 2016. Secured by a water truck having a net book value of \$11,850.

14,500 -

Royal Bank of Canada - term loan, payable in monthly installments of \$759 including interest at 4.17%; matures October 12, 2015. Secured by two school vans having a net book value of \$nil.

4,615 13,330

Royal Bank of Canada - term loan to assist with the construction costs of the Poitras small well water treatment plant project; repaid during the year.

- 355,000

Royal Bank of Canada - demand loan; repaid during the year.

- 12

2,873,758 3,277,219

Less: Current Portion

296,789 334,379

2,576,969 2,942,840

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar terms, are estimated as follows:

2016	296,789
2017	253,661
2018	173,749
2019	177,980
2020	181,452

10. Long-term debt *(Continued from previous page)*

The First Nation has a revolving lease line of credit in the amount of \$350,000 to finance regular ongoing capital asset purchases. As at March 31, 2015, the First Nation had used \$69,653 of the facility to pay out the John Deere lease held by the First Nation; the lessor of the 2013 John Deere backhoe is now Royal Bank of Canada as at March 31, 2015.

Subsequent to year end, the First Nation used a portion of the remaining credit facility to lease a 2013 John Deere Wheel Loader. The lease agreement with the Royal Bank of Canada was for \$148,228, payable in monthly installments of \$2,746 including interest of 4.29%; matures April 27, 2020. The lease is secured by the equipment having a cost of \$148,228. The lease includes an option for the First Nation to purchase equipment on April 26, 2020 for \$1.00.

The First Nation has a VISA line of credit available of \$25,000, of which \$nil was drawn (2014 - \$nil). The line of credit is secured by a Band Council Resolution authorizing the credit facility.

11. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include assets under capital lease. Assets under capital lease include equipment assets with a gross cost of \$146,362 (2014 - \$146,362), and an accumulated amortization of \$39,030 (2014 - \$19,515).

12. Accumulated surplus

Accumulated surplus consists of the following:

	2015	2014
Ottawa Trust Funds	43,263	41,428
Investments	80,000	80,000
CMHC Operating Reserve	103,475	90,383
CMHC Replacement Reserve	308,841	320,874
Capital	10,195,073	8,191,859
Operating	95,644	(220,692)
	10,826,296	8,503,852

13. Budgets

In preparation of the annual operating budget of the Cree Nation, management plans for debt servicing by recognizing both the interest component of loan payments as well as the principal component. As a result, budgeted figures approved by Council differ from the amounts presented on the Statement of Operations by the budgeted principal repayment amount of \$372,920.

The budget process followed by management only includes activities managed directly by the Cree Nation. Management does not prepare a budget for capital projects administered through third party project managers. As such no amounts have been included in the annual budget of the Cree Nation for the school roof project, the school renovation project, and the lagoon/jet replacement project.

The disclosed budget information included was approved by the Cree Nation's Chief and Council on May 5, 2014.

14. Economic dependence

The Cree Nation receives a significant portion of its revenues from the Government of Canada as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by Aboriginal Affairs and Northern Development Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

The Cree Nation also receives a significant portion of its revenues from First Nations and Inuit Health Branch (FNIHB), Canadian Mortgage and Housing Corporation (CMHC), and File Hills Qu'Appelle Tribal Council Inc. (FHQTC). Continuing receipt of funding is dependent on the Cree Nation continuing to be in compliance with their respective funding agreements. It is the assertion of the Cree Nation's management that they are in compliance with all funding agreements except as disclosed in notes 15 and 19.

15. Canada Mortgage and Housing Corporation Reserves

Under agreements with CMHC the Cree Nation has established the following:

- A replacement reserve, to ensure replacement of capital equipment and for major repairs to the housing units, which requires an annual cash allocation to the reserve. At March 31, 2015, the replacement reserve is required to be funded to a level of \$308,841 (2014 - \$320,874). At March 31, 2015 the cash balance in the reserve is \$61,446 (2014 - \$585).
- An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2015 the operating reserve is required to be funded to a level of \$103,475 (2014 - \$90,383). At March 31, 2015 the cash balance in the reserve is \$18,410 (2014 - \$386).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

16. Contingencies

File Hills Colony claim

The Cree Nation has been pursuing the File Hills Colony Claim against the Government of Canada for a number of years. Management has accrued an amount for professional fees relating to services rendered on the File Hills Colony claim, based on preliminary information received from legal counsel. There are certain aspects of the fee arrangement which management believes require further discussion. Until such time as legal counsel renders their final account for these services, the amount invoiced could vary from the accrued estimate. Any adjustment required will be recorded in the period in which the final fee is determined.

Funding agents

These financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

17. Aboriginal Affairs and Northern Development Canada funding reconciliation

Funding per Aboriginal Affairs and Northern Development Canada (AANDC) confirmation	6,849,898
School roof project - deferred revenue from prior year, recognized in current year	476,528
School roof project - revenue deferred by the First Nation in the current year	(154,104)
Poitras Small Well project - funding that was earned by the First Nation in the current year	339,700
<u>AANDC funding per Financial Statements</u>	<u>7,512,022</u>

18. Segments

During the year, the Cree Nation had nine reportable segments. These segments are differentiated by major activities and services provided; as described below:

Band Government - includes administration and governance activities.

Social Services - activities include delivering social programs.

Lands and Trust Services - includes activities for the development of the Cree Nation's land.

Education - includes the operations of the education programs.

Operations and Maintenance - includes activities for the maintenance of the community and its infrastructure.

Health - the administration and delivery of the health programs.

Capital - reports on capital projects.

Other - other band programs not funded by AANDC or Health Canada.

Ottawa Trust - reports revenues allocated to the fund and transfers to other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

19. Compliance with authorities

The Cree Nation is required to make its financial statements publicly available and submit its financial statements to Aboriginal Affairs and Northern Development Canada by July 29, 2015. As the audit report date is dated after July 29, 2015, the Cree Nation is in breach of this requirement. The possible effect of this breach has not yet been determined.

Peepeekisis Cree Nation
Schedule 1- Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	Buildings	Assets under construction	CMHC housing	Band housing	Equipment	Roads	Subtotal
Cost							
Balance, beginning of year	11,343,853	1,956,092	5,110,839	2,955,094	867,354	351,550	22,584,782
Acquisition of tangible capital assets	-	2,511,137	-	-	53,925	-	2,565,062
Disposal of tangible capital assets	-	-	-	-	-	-	-
Transfer of assets under construction	4,038,242	(4,038,242)	-	-	-	-	-
Balance, end of year	15,382,095	428,987	5,110,839	2,955,094	921,279	351,550	25,149,844
Accumulated amortization							
Balance, beginning of year	4,693,247	-	2,717,689	2,880,491	472,728	351,550	11,115,705
Annual amortization	563,098	-	286,000	15,842	100,369	-	965,309
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	5,256,345	-	3,003,689	2,896,333	573,097	351,550	12,081,014
Net book value of tangible capital assets	10,125,750	428,987	2,107,150	58,761	348,182	-	13,068,830
2014 Net book value of tangible capital assets	6,650,606	1,956,092	2,393,150	74,603	394,626	-	11,469,077

Peepeekisis Cree Nation
Schedule 1- Schedule of Tangible Capital Assets
For the year ended March 31, 2015

	Subtotal	Land - 11,300 hectares	2015	2014
			Actual	Actual
Cost				
Balance, beginning of year	22,584,782	1	22,584,783	20,874,517
Acquisition of tangible capital assets	2,565,062	-	2,565,062	1,801,266
Disposal of tangible capital assets	-	-	-	(91,000)
Transfer of assets under construction	-	-	-	-
Balance, end of year	25,149,844	1	25,149,845	22,584,783
Accumulated amortization				
Balance, beginning of year	11,115,705	-	11,115,705	10,388,151
Annual amortization	965,309	-	965,309	753,843
Disposal of tangible capital assets	-	-	-	(26,289)
Balance, end of year	12,081,014	-	12,081,014	11,115,705
Net book value of tangible capital assets	13,068,830	1	13,068,831	11,469,078
2014 Net book value of tangible capital assets	11,469,077	1	11,469,078	

Peepeekisis Cree Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2015

	2015 Budget (Note 13)	2015 Actual	2014 Actual
Administration	7,045	(194)	33,714
Advertising	2,000	2,140	2,272
Amortization	-	965,309	753,844
Assistance	130,002	145,224	133,166
Back to work program	19,750	17,984	128,212
Bad debts	-	4,625	3,202
Bank charges and interest	-	13,917	14,569
Contracted services	774,192	788,911	875,347
Cultural activities	126,327	86,471	134,630
Elders fees	7,000	7,089	5,300
Fuel	129,800	88,316	105,799
Funeral	16,000	14,364	17,177
Groceries	71,013	66,038	54,356
Honouraria	21,025	23,606	33,021
Insurance	90,699	123,066	139,953
Interest on long-term debt	248,627	66,766	89,179
Materials	277,643	132,465	194,450
Meetings and per diems	31,225	34,236	60,526
Miscellaneous	5,000	-	-
Office supplies	79,834	91,745	92,608
Professional fees	75,560	82,741	84,330
Registration	43,202	48,093	57,977
Rent	19,156	31,339	21,141
Repairs and maintenance	189,889	266,909	167,130
Salaries and benefits	2,695,141	2,756,388	2,766,965
Social assistance	814,219	976,162	945,011
Sports, recreation, extra curricular activities	41,000	36,569	46,633
Student expenses	431,300	412,686	397,319
Supplies	44,315	51,974	27,876
Telephone	45,825	37,215	42,712
Training	25,200	19,061	36,786
Travel	196,130	273,961	179,009
Tuition	210,000	230,536	183,053
Utilities	78,570	105,124	123,894
	6,946,689	8,000,836	7,951,161

Peepeekisis Cree Nation
Band Government

Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	501,116	501,116	542,084
Aboriginal Affairs and Northern Development Canada - recovery	-	(3,146)	-
FHQ Holdings	-	70,000	60,000
Other revenue	24,000	8,281	24,218
	525,116	576,251	626,302
Expenses			
Administration (recovery)	(10,720)	(12,220)	(7,200)
Advertising	-	-	220
Amortization	-	3,460	3,460
Assistance	10,000	15,404	-
Bad debts	-	4,625	3,202
Bank charges and interest	4,000	10,276	9,905
Contracted services	-	11,476	42,854
Fuel	-	-	424
Funeral	-	-	1,000
Interest on long-term debt	-	120	-
Meetings and per diems	5,000	6,164	100
Office supplies	11,000	11,175	9,309
Professional fees	-	(2,551)	-
Registration	-	1,962	2,555
Rent	8,640	17,037	6,438
Salaries and benefits	359,565	324,424	530,381
Supplies	-	(240)	500
Telephone	24,000	16,234	18,551
Training	-	900	-
Travel	80,200	105,201	91,513
Utilities	-	1,909	126
	491,685	515,356	713,338
Surplus (deficit) before transfers	33,431	60,895	(87,036)
Transfers between programs	-	-	28,288
Surplus (deficit)	33,431	60,895	(58,748)

Peepeekisis Cree Nation
Social Services
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	1,065,930	1,120,217	1,270,358
Aboriginal Affairs and Northern Development Canada - recovery	-	(18,686)	-
	1,065,930	1,101,531	1,270,358
Expenses			
Administration	22,299	7,845	13,404
Back to work program	19,750	17,984	128,212
Bank charges and interest	-	1,761	-
Contracted services	23,250	25,100	26,864
Cultural activities	26,900	25,602	29,380
Groceries	44,818	47,568	31,287
Office supplies	-	10,930	4,993
Professional fees	-	2,000	-
Registration	-	850	-
Salaries and benefits	88,456	88,494	112,561
Social assistance	814,219	976,162	945,011
Travel	5,740	7,619	5,938
	1,045,432	1,211,915	1,297,650
Deficit before transfers	20,498	(110,384)	(27,292)
Transfers between programs	10,900	(10,900)	(13,175)
Deficit	31,398	(121,284)	(40,467)

Peepeekisis Cree Nation
Lands and Trust Services
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	2015 Budget (Note 13)	2015 Actual	2014 Actual
Revenue			
Aboriginal Affairs and Northern Development Canada	19,165	19,166	34,458
Expenses			
Amortization	-	3,204	2,198
Contracted services	-	-	480
Meetings and per diems	1,000	-	734
Professional fees	1,000	1,000	-
Salaries and benefits	18,895	18,510	18,481
Travel	1,000	401	952
	21,895	23,115	22,845
Surplus (deficit) before transfers	(2,730)	(3,949)	11,613
Transfers between programs	6,000	6,000	2,500
Surplus	3,270	2,051	14,113

Peepeekisis Cree Nation
Education

Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	2,104,196	2,082,311	2,137,174
Other revenue	17,400	36,112	13,950
File Hills Qu'Appelle Tribal Council	25,776	31,245	25,357
Prairie Valley School Division	-	26,688	26,044
	2,147,372	2,176,356	2,202,525
Expenses			
Advertising	2,000	2,140	2,052
Amortization	-	9,614	10,620
Assistance	18,000	10,303	22,900
Bank charges and interest	1,900	1,218	2,986
Contracted services	135,000	85,750	94,672
Fuel	15,000	8,174	24,579
Insurance	-	-	1,167
Interest on long-term debt	-	372	1,251
Materials	3,400	4,303	1,063
Meetings and per diems	-	500	4,010
Miscellaneous	5,000	-	-
Office supplies	22,500	16,573	27,678
Registration	5,000	4,458	6,507
Repairs and maintenance	15,000	42,255	3,322
Salaries and benefits	1,233,519	1,251,463	1,284,200
Sports, recreation, extra curricular activities	6,000	10,319	1,894
Student expenses	406,300	389,876	397,319
Supplies	36,108	37,575	26,072
Telephone	2,700	3,036	1,986
Travel	29,100	28,530	24,620
Tuition	210,000	230,536	183,053
	2,146,527	2,136,995	2,121,951
Surplus	845	39,361	80,574

Peepeekisis Cree Nation
Operations and Maintenance
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	606,531	977,088	984,585
Other revenue	65,200	58,189	17,506
File Hills Qu'Appelle Tribal Council	8,916	8,917	8,917
Insurance proceeds	-	22,720	-
	680,647	1,066,914	1,011,008
Expenses			
Administration	20,670	74,168	44,183
Amortization	-	39,273	39,295
Assistance	-	-	700
Contracted services	190,756	290,264	318,906
Fuel	45,000	38,095	36,855
Insurance	17,615	85,326	108,414
Interest on long-term debt	-	4,305	4,514
Materials	32,000	62,991	92,929
Office supplies	15,300	25,174	22,148
Rent	8,528	15,229	12,446
Repairs and maintenance	45,155	85,555	96,518
Salaries and benefits	214,493	289,047	223,482
Telephone	6,800	8,733	9,830
Travel	1,500	3,694	2,956
Utilities	67,270	89,515	116,844
	665,087	1,111,369	1,130,020
Surplus (deficit) before other items	15,560	(44,455)	(119,012)
Loss on disposal of tangible capital asset	-	-	(14,711)
Surplus (deficit) before transfers	15,560	(44,455)	(133,723)
Transfers between programs	6,000	6,000	6,000
Surplus (deficit)	21,560	(38,455)	(127,723)

Peepeekisis Cree Nation
Health

Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Health Canada	683,542	642,182	660,722
Forfeited FNIHB funding	-	-	(15,808)
Aboriginal Affairs and Northern Development Canada	-	-	13,397
File Hills Qu'Appelle Tribal Council	187,288	191,043	187,345
Other revenue	17,000	12,132	12,877
Government of Canada - The Way	117,920	-	111,120
	1,005,750	845,357	969,653
Expenses			
Administration	4,675	4,331	11,121
Amortization	-	10,455	-
Assistance	14,502	16,866	15,378
Bank charges and interest	1,000	-	1,000
Contracted services	212,755	232,075	256,639
Cultural activities	24,938	15,357	17,581
Fuel	14,800	10,913	12,981
Funeral	1,000	-	721
Groceries	16,195	16,085	17,069
Honouraria	11,025	16,645	18,000
Insurance	12,374	8,073	12,312
Materials	26,438	44,520	33,915
Meetings and per diems	2,825	688	2,730
Office supplies	15,019	16,091	16,213
Professional fees	3,000	3,000	-
Registration	5,702	4,960	1,878
Rent	1,988	747	200
Repairs and maintenance	19,207	9,996	12,888
Salaries and benefits	470,744	487,476	457,839
Supplies	8,207	14,360	619
Telephone	11,425	7,643	10,772
Training	21,200	18,161	27,720
Travel	39,590	31,806	27,212
Utilities	11,300	12,737	5,236
	949,909	982,985	960,024
Surplus (deficit) before transfers	55,841	(137,628)	9,629
Transfers between programs	16,900	4,900	9,615
Surplus (deficit)	72,741	(132,728)	19,244

Peepeekisis Cree Nation
Capital

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	-	2,812,124	1,218,517
Other revenue	5,000	75,553	104,653
Insurance proceeds	-	-	6,437
	5,000	2,887,677	1,329,607
Expenses			
Administration (recovery)	(72,492)	(106,963)	(70,407)
Amortization	-	596,264	401,664
Assistance	500	883	1,483
Bank charges and interest	-	231	593
Contracted services	42,666	79,135	34,456
Fuel	-	955	700
Insurance	51,530	-	-
Materials	215,804	20,572	36,070
Meetings and per diems	-	925	7,238
Office supplies	419	707	4,686
Registration	500	1,524	-
Repairs and maintenance	-	100	12,539
Salaries and benefits	88,054	103,281	102,537
Telephone	900	1,569	1,423
Travel	9,000	15,010	7,347
Utilities	-	665	1,688
	336,881	714,858	542,017
Surplus	(331,881)	2,172,819	787,590

Peepeekisis Cree Nation
Other

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Canada Mortgage and Housing Corporation	194,046	181,095	181,817
First Nations Trust	800,000	928,182	968,131
File Hills Qu'Appelle Tribal Council	99,680	214,205	228,069
Rental income	207,960	206,958	174,448
Common Experience Program	-	94,603	-
Other revenue	61,500	23,151	47,323
FSIN	-	-	50,000
	1,363,186	1,648,194	1,649,788
Expenses			
Administration	42,613	32,645	42,613
Amortization	-	303,039	296,607
Assistance	87,000	101,768	92,705
Bank charges and interest	1,800	433	81
Contracted services	169,765	65,111	100,476
Cultural activities	74,500	45,512	87,669
Elders fees	7,000	7,089	5,300
Fuel	55,000	30,180	30,260
Funeral	15,000	14,364	15,456
Groceries	10,000	2,385	6,000
Honouraria	10,000	6,961	15,021
Insurance	9,180	29,667	18,060
Interest on long-term debt	248,627	61,968	83,414
Materials	-	80	30,474
Meetings and per diems	22,400	25,959	45,713
Office supplies	5,585	11,095	7,581
Professional fees	71,560	79,292	84,330
Registration	32,000	34,339	47,037
Rent	-	(1,675)	2,057
Repairs and maintenance	110,528	129,003	41,863
Salaries and benefits	222,715	193,693	37,485
Sports, recreation, extra curricular activities	35,000	26,249	44,739
Student expenses	25,000	22,810	-
Supplies	-	279	686
Telephone	-	-	150
Training	4,000	-	9,066
Travel	30,000	81,698	18,473
Utilities	-	300	-
	1,289,273	1,304,244	1,163,316
Surplus before transfers	73,913	343,950	486,472
Transfers between programs	(6,000)	(6,000)	(33,227)
Surplus	438,915	337,950	453,245

Peepeekisis Cree Nation
Ottawa Trust Funds
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2015

	<i>2015 Budget (Note 13)</i>	<i>2015 Actual</i>	<i>2014 Actual</i>
Revenue			
Interest income	-	1,835	1,149
Surplus	-	1,835	1,149